

KENANGA ONEPRS SHARIAH EQUITY FUND

ANNUAL REPORT

For the Financial Year Ended 31 July 2023

kenanga

Kenanga Investors Berhad
Company No. 199501024358

KENANGA ONEPRS SHARIAH EQUITY FUND

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CORPORATE DIRECTORY

Private Retirement Scheme (PRS) Provider: Kenanga Investors Berhad

Company No. 199501024358 (353563-P)

Registered Office

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2888
Fax: 03-2172 2999

Business Office

Level 14, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 3000
Fax: 03-2172 3080
E-mail: InvestorServices@kenanga.com.my
Website: www.KenangaInvestors.com.my

Board of Directors

Choy Khai Choon (**Chairman, Non-Independent Non-Executive Director**)
Imran Devindran Abdullah (**Independent Non-Executive Director**)
Norazian Ahmad Tajuddin (**Independent Non-Executive Director**)
Luk Wai Hong, William (**Non-Independent Non-Executive Director**)
Datuk Wira Ismitz Matthew De Alwis (**Chief Executive Officer, Executive Director**)

Investment Committee

Imran Devindran Abdullah (**Independent Member**)
Norazian Ahmad Tajuddin (**Independent Member**)
Luk Wai Hong, William (**Non-Independent Member**)
Datuk Wira Ismitz Matthew De Alwis (**Non-Independent Member**)

Company Secretary: Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

Scheme Trustee (“Trustee”): Maybank Trustee Berhad Company No. 196301000109 (5004-P)

Registered and Business Address

8th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur.
Tel: 03-2070 8833 Email: mtb.ut@maybank.com

Shariah Adviser: Kenanga Investment Bank Berhad Company No. 197301002193 (15678-H)

Registered Office:

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur.
Tel: 03-2172 2888
Fax: 03- 2172 2999

Business Office:

Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur.
Tel: 03-2172 2727
Fax: 03- 2172 2897
Website: www.kenanga.com.my

Auditor: Ernst & Young PLT Company No. 202006000003 (LLP0022760-LCA) & AF 0039

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Tax Adviser: Ernst & Young Tax Consultants Sdn Bhd Company No. 198901002487 (179793-K)

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Administrator: Private Pension Administrator Malaysia (PPA)

Level 13A, Bangunan Tierra Crest, Jalan SS 6/3, 47301 Petaling Jaya, Selangor.
Tel: 1300 131 772 Website: www.ppa.my Email: askppa@ppa.my

Membership: Federation of Investment Managers Malaysia (FIMM)

19-06-1, 6th Floor, Wisma Tune, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.
Tel: 03-2093 2600 Fax: 03-2093 2700 Website: www.fimm.com.my

DIRECTORY OF PRS PROVIDER'S OFFICES

Regional Branch Offices:

Kuala Lumpur

Level 13, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2172 3123
Fax: 03-2172 3133

Melaka

No. 43, Jalan KSB 11
Taman Kota Syahbandar
75200 Melaka
Tel No. 06-240 2310
Fax No. 06-240 2287

Klang

No. 12, Jalan Batai Laut 3
Taman Intan
41300 Klang, Selangor
Tel: 03-3341 8818 / 03-3348 7889
Fax: 03-3341 8816

Penang

5.04, 5th Floor
Menara Boustead Penang
No. 39, Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-210 6628
Fax : 04-210 6644

Miri

2nd Floor, Lot 1264
Centre Point Commercial Centre
Jalan Melayu
98000 Miri, Sarawak
Tel: 085-416 866
Fax: 085-322 340

Seremban

2nd Floor, No. 1D-2
Jalan Tuanku Munawir
70000 Seremban
Negeri Sembilan
Tel: 06-761 5678
Fax: 06-761 2242

Johor Bahru

No. 63
Jalan Molek 3/1, Taman Molek
81100 Johor Bahru, Johor
Tel: 07-288 1683
Fax: 07-288 1693

Kuching

1st Floor, No 71
Lot 10900, Jalan Tun Jugah
93350 Kuching, Sarawak
Tel: 082-572 228
Fax: 082-572 229

Kuantan

Ground Floor Shop
No. B8, Jalan Tun Ismail 1
25000 Kuantan, Pahang
Tel : 09-514 3688
Fax : 09-514 3838

Ipoh

No. 1, Jalan Leong Sin Nam
30300 Ipoh, Perak
Tel: 05-254 7573 / 7570
Fax: 05-254 7606

Kota Kinabalu

Level 8, Wisma Great Eastern
No. 68, Jalan Gaya
88000 Kota Kinabalu, Sabah
Tel: 088-203 063
Fax: 088-203 062

Damansara Uptown

44B, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya, Selangor
Tel: 03-7710 8828
Fax: 03-7710 8830

Kota Damansara

C26-1, Dataran Sunway
Jalan PJU 5/17
Kota Damansara
47510 Petaling Jaya, Selangor
Tel: 03-6150 3612
Fax: 03-6150 3906

Kluang

No. 1, Aras 1, Jalan Haji Manan
Pusat Perniagaan Komersial Haji Manan
86000 Kluang, Johor
Tel: 07-710 2700
Fax: 07-710 2150

1. FUND INFORMATION

1.1 Fund Name

Kenanga OnePRS Shariah Equity Fund (**PKOSEF** or **the Fund**)

1.2 Fund Category / Type

Feeder Fund (Shariah-compliant Equity)

1.3 Investment Objective

The Fund seeks to provide capital growth by investing in Kenanga Syariah Growth Fund (**the Target Fund**).

1.4 Investment Strategy

The Fund seeks to achieve its objective by investing a minimum of 85% of the Fund's Net Asset Value (NAV) in the Target Fund that invests in Shariah-compliant equities.

1.5 Performance Benchmark

FTSE Bursa Malaysia Emas Shariah Index.

The risk profile of the Fund is not the same as the risk profile of the Performance benchmark.

1.6 Distribution Policy

Distribution (if any) will be declared annually and reinvested into the Fund.

Members who have reached their retirement age can opt to have the distribution paid to them by cheque or to their bank account.

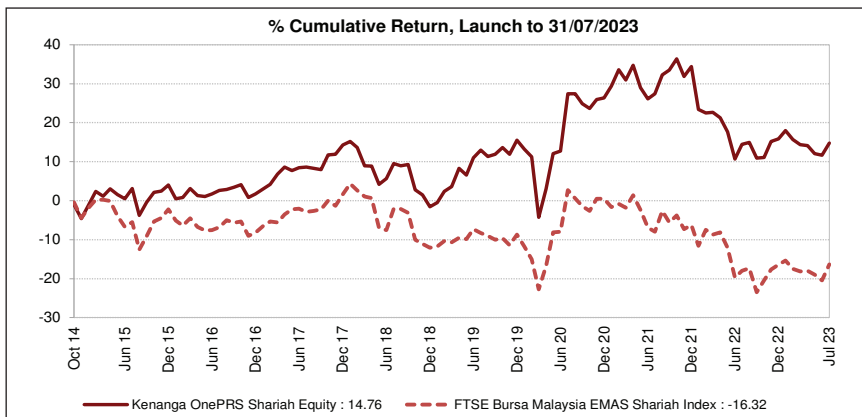
2. PRS PROVIDER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

Since inception, the Fund has achieved a return of 14.76% thus achieving the Fund's stated objective to provide long-term capital growth by investing principally in equities that comply with Shariah requirements.

2.2 Comparison between the Fund's performance and performance of the benchmark

**Performance Chart Since Launch (28/10/2014 - 31/7/2023)
Kenanga OnePRS Shariah Equity Fund vs Benchmark***



Source: Novagni Analytics & Advisory

* Benchmark FTSE Bursa Malaysia Emas Shariah Index

2.3 Investment strategies and policies employed during the financial year under review

As at 31 July 2023, the Fund had invested about 96.3% of its NAV in the Target Fund and about 3.7% in short term Islamic deposits or cash. It aims to provide members with long-term capital growth and income ranging from 3 to 5 years.

2.4 The Fund's asset allocation as at 31 July 2023 and comparison with the previous financial year

Asset	31 Jul 2023	31 Jul 2022
Unlisted Islamic collective investment scheme	96.3%	96.2%
Short term Islamic deposit and cash	3.7%	3.8%

Reason for the differences in asset allocation

The Fund's investment in unlisted Islamic CIS was slightly higher due to portfolio rebalancing.

2.5 Fund performance analysis based on NAV per unit (adjusted for income distribution; if any) since last review year

	Year under review
PKOSEF	0.26%
FTSE Bursa Malaysia Emas Shariah Index	2.03%

Source: Lipper

For the financial year under review, the Fund underperformed its benchmark return due to stock selection and asset allocation.

2.6 Review of the market

Equity market review

Global equities were mixed in August 2022, with most markets sliding towards the end of the month in reaction to more hawkish than expected signalling from the US Federal Reserve (Fed) at its Jackson Hole conference. US equities were among the hardest hit, with the S&P 500 ending 4.1% lower for the month. The Nasdaq also dipped 4.6% following a 12.4% rise in July 2022. The still strong US employment sector was a factor often attributed to the Fed's drive to tighten its monetary policy. Local sentiment was supported by relatively strong economic data over the month, chiefly 2Q2022 Gross Domestic Product (GDP) growth which came in at a bumper 8.9%, exceeding street expectations of 7% and accelerating from 5% in 1Q2022. The 2Q2022 corporate reporting season was relatively in line with some earnings beats in large caps particularly in the financial and telecommunication industries. Notably, state-owned Petronas also announced strong 2Q2022 results and declared a RM50 billion dividend to the Government.

Global equities fell in September 2022 as investor sentiment was impacted by the Fed's prolonged hawkish stance. As expected, the Fed raised interest rates by 75 basis points (bps) to between 3.00% and 3.25% in September's Federal Open Market Committee (FOMC) meeting. The Fed signalled its intention to continue raising rates to reach a terminal rate of 4.60% in 2023. The hawkish stance by the Fed also sparked fears that corresponding aggressive interest rate hikes by global central banks will result in a global economic slowdown/recession. Meanwhile, US Consumer Price Index (CPI) eased to 8.3% year-on-year (YoY) in August 2022, from 8.5% YoY in July 2022 but above consensus estimate of 8.1% YoY. The Dow Jones Index, S&P 500 and Nasdaq fell 8.8%, 9.3% and 10.5% respectively in September 2022. As of the end of the month, Wall Street has suffered 3 straight quarterly declines, the longest losing streak for the S&P 500 and the Nasdaq since the Great Recession and Dow Jones' longest in 7 years. Locally, Bank Negara Malaysia (BNM) raised the Overnight Policy Rate (OPR) by 25bps to 2.50% at the September Monetary Policy Committee (MPC) meeting, as expected. BNM said the process of unwinding monetary policy stimulus will be measured and gradual.

US equities rebounded strongly in October 2022, with the Dow Jones Index, S&P 500 and Nasdaq increasing by 14.0%, 8.0% and 3.9% respectively. October 2022 gains have come despite slowing growth and major disappointments from large tech companies such as Meta and Amazon. Meanwhile, US CPI inflation eased to 8.2% YoY in September 2022, from 8.3% YoY in August 2022 but above consensus estimates of 8.1% YoY. In China, President Xi Jinping was re-elected as General Secretary of the 20th Central Committee of the Communist Party of China and Chairman of Central Military Commission. Locally, Budget 2023 was presented in Parliament. 2023 GDP is projected at 4%-5% while 2022 GDP forecast is revised up to 6.5%-7% (from 5.3%-6.3%). The Government forecasts 2023 fiscal deficit at 5.5% and expects 2023 inflation at 2.8%-3.3%. Prime Minister Ismail Sabri later announced the dissolution of Parliament to make way for the 15th General Election.

2.6 Review of the market (contd.)

Equity market review (contd.)

US equities continued rebounding in November 2022 mainly driven by the CPI data release on 10 November 2022 and the speech on 30 November 2022 by Fed Chairman Jerome Powell. US CPI inflation eased further to 7.7% YoY in October 2022 from 8.2% in September 2022, better than expectations of 8.0%. With regard to monetary policy, although the Fed raised interest rates by 75bps to between 3.75%- 4.00% in the November FOMC meeting, Powell signalled expectations for a downshift to a 50bps hike for the next FOMC meeting on the 13-14 December 2022. In China, the Government issued sweeping directives to rescue the property sector. Later there also were reports of protests across the nation calling for an end to Covid-19 lockdown measures. Malaysia held its 15th General Election on 19 November 2022 and faced a hung parliament scenario with none of the coalition winning majority votes. The political uncertainty was later resolved with the appointment of Dato' Seri Anwar Ibrahim as the 10th Prime Minister through the formation of a unity Government. On monetary policy fronts, BNM raised the OPR by 25bps to 2.75% at the November MPC meeting, as expected.

US equities fell in December 2022, with the Dow Jones Index, S&P 500 and Nasdaq decreasing by 4.2%, 5.9% and 8.7% respectively. On a year-to-date (YTD) basis, the Dow Jones Index, S&P 500 and Nasdaq have declined by 8.8%, 19.4%, and 33.1% respectively. The decline came on fears of a looming recession and that the Fed may hold on to higher interest rates for a longer period. As expected, the Fed hiked rates by 50bps in the December FOMC meeting. While November CPI declined to 7.1% YoY from October's 7.7% YoY, Powell said it will take substantially more evidence to give confidence that inflation is on a sustained downward path, underscoring Fed's intention to hold on to higher rates for a longer period. Meanwhile, China started to relax Covid restrictions. It downgraded Covid management from the top level to second highest and unexpectedly announced plans to end quarantine requirements for inbound travellers effective 8 January 2023. Locally, Prime Minister Dato' Seri Anwar Ibrahim announced a new cabinet list, with Zahid Hamidi and Fadillah Yusof appointed as deputy Prime Ministers. The coalition leaders from PH, BN, GPS, GRS, and Parti Warisan signed an MOU agreement to back Anwar's unity government, assuring political stability for the country.

In January 2023, Nasdaq surged 10.7%, followed by S&P 500 and Dow Jones Index by 6.2% and 2.8% respectively. The gains were mainly driven by stronger than expected economic data and 4Q2022 earnings results that were not as bad as feared with price reaction mostly positive. US reported 4Q GDP growth of +2.9% (quarter-on-quarter Seasonally Adjusted Annual Rates) or +1% YoY, stronger than expected. In China, the reopening of borders from the 8 January 2023 and the substantial easing of Covid restrictions propelled stocks higher. In Malaysia, BNM unexpectedly maintained OPR at 2.75% during the January MPC meeting.

In February 2023, the US markets experienced a significant decline, S&P500 by - 2.6%, Nasdaq by -1.1% and Dow Jones Index by -4.2%. The sell-off was sparked by concerns over rising inflation fuelling expectations that the Fed will leave interest rates higher for longer. Stronger than expected economic data from nonfarm payrolls which added 517,000 jobs and unemployment rate registering 3.4% led to concerns over rising inflation. The inflation rate in the US increased to 6.4% YoY in January 2023. Although below 6.5% in December 2022, it was higher than market expectations. The Fed is widely expected to raise interest rates at its next meeting in March 2023, with consensus expecting rates to peak at 5.25-5.5% by mid-2023 and expectations for rate cuts have been pushed out to early 2024 from late 2023. Domestically, the market was neutral to negative post-Budget 2023 with the biggest surprise being further taxes on high-income earners and high taxes on luxury goods along with discussions of a capital gains tax on the disposal of non-listed shares.

2.6 Review of the market (contd.)

Equity market review (contd.)

In March 2023, the US markets experienced a significant rebound, with the Nasdaq increasing by 6.7%, the S&P 500 by 3.5%, and the Dow Jones Index by 1.9%. The market rebounded strongly in March despite going through the banking crisis. The Fed announced its 9th straight interest rate hike of 25bps on 23 March 2023 to discourage inflation. There was speculation that the Fed might pause rate hikes in response to the recent banking crisis, but Powell has repeatedly said that price stability is the central bank's "overarching focus." The inflation rate slowed to 6% in February 2023, but it's still above the Fed's preferred rate of 2%. On 9 March 2023, BNM held its OPR at 2.75% and said that it would assess the impact of the 100bps interest rate hike last year and continue to calibrate monetary policy to balance inflation risks and growth. Economists are now expecting a 25bps hike in May 2023 to 3%.

Global equities were mixed in April 2023, headlined by rising US indices with the Dow Jones Industrial 2.5%, S&P 500 1.5%, and the Nasdaq 0.04%. US market sentiment was soft for most of the month as several economic data points indicated less impetus for the Fed to pause its rate increases. However, stocks were lifted by a strong Q1 2023 results season, with 81% of S&P 500 companies beating expectations at end-April plus notably strong reports from several large-cap technology names like Meta. The street now fully expects the Fed to hike another 25bps in its May or June meetings (from only 50-60% consensus at end-March) but maintains expectations of a U-turn into 2-3 rate cuts before year-end. Domestic macroeconomic data was also less than favourable as March exports recorded their first YoY decline since late 2020 at -1.4%, albeit coming ahead of street expectations of -1.9%.

In May 2023, US equities were mixed. Dow Jones fell 3.5%, while the S&P 500 slightly increased by 0.25%. Nasdaq outperformed with a 5.8% gain, driven by tech companies and optimism in AI's potential. The debt ceiling impasse between Republicans and Democrats was resolved with both the White House and Congress reaching an agreement to raise the federal debt limit and stave off a default on governmental obligations. Equities however were not particularly impacted by this as sentiment was focused on mixed economic data announced over the month. Fed announced its 10th -straight rate hike of 25bps bringing rates to a target range of 5%- 5.25%. The Fed has signalled for a potential "pause and assess" in their upcoming meeting in June 2023 with Powell commenting on "facing uncertainty about the lagged effects of tightening and the extent of credit tightening from recent banking stresses". Inflation in April remained at similar levels in March with both headline and core CPI coming in at 4.9% and 5.5%. Locally, Malaysia saw negative market sentiment due to global growth concerns, foreign selling, and weak 1Q2023 earnings. On economic data, 1Q2023 GDP grew 5.6% YoY, beating expectations, and BNM raised the OPR by 25bps to 3%.

US equities surged in June, with the S&P 500 gaining 6.5%, its best month since October while the Nasdaq advanced 6.6%. Both indexes notched a fourth consecutive positive month. The Dow Jones climbed 4.6%, its best month since November. This advance came amid moderating inflation and signs that the US economy remains resilient despite higher interest rates. May's inflation dropped to 4.05%, a two-year low. Core inflation dipped slightly, while CPI saw a marginal month-on-month (MoM) increase. The Fed kept the Target Federal Funds Rate unchanged at 5.25% in its June 14th meeting, the first meeting without a rate hike in 11 meetings. Locally, Malaysian equities struggled, with the FBM KLCI, FBM 100, and FBM Shariah posting MoM declines of 0.8%, 1.1%, and 1.8% respectively, except for FBM Small Cap, which rose by 0.1% MoM. YTD, the FBM KLCI dropped by 7.9% due to foreign selling, driven by concerns over the global economy's slowdown, political uncertainties surrounding the six-state elections, and Ringgit weakness. In June, the government made an

2.6 Review of the market (contd.)

Equity market review (contd.)

announcement to cut the stamp duty rate from 0.15% to 0.10% to enhance competitiveness in the Malaysian stock market. Core inflation dipped slightly, while CPI saw a marginal MoM increase. The Federal Reserve kept the Target Federal Funds Rate unchanged at 5.25% in its June 14th meeting, the first meeting without a rate hike in 11 meetings. Locally, Malaysian equities struggled, with the FBM KLCI, FBM 100, and FBM Shariah posting MoM declines of -0.8%, -1.1%, and -1.8% respectively, except for FBM Small Cap, which rose by 0.1% MoM. YTD, the FBM KLCI dropped by -7.9% due to foreign selling, driven by concerns over the global economy's slowdown, political uncertainties surrounding the six-state elections, and Ringgit weakness. In June, the government made an announcement to cut the stamp duty rate from 0.15% to 0.10% to enhance competitiveness in the Malaysian stock market.

In July, global equity markets rose due to positive signs of slowing inflation in several economies, the expectation that policy rates were near their peak, optimism for a soft landing in the US, and continued interest in artificial intelligence. Contrary to previous months, emerging markets outperformed developed markets. US Dow Jones, S&P 500, and Nasdaq gained 3.4%, 3.1%, and 4.1% MoM, respectively. US CPI moderated to 3% YoY in June. Core CPI (excluding food and energy) posted at 4.8%, its lowest since October 2021. As expected, the Fed raised interest rates by 25bps at the July FOMC meeting to 5.25-5.50%, the highest level in 22 years, resuming its tightening campaign after a pause in June. The Fed emphasized data dependence for its September decision. Meanwhile, US GDP grew faster than expected by an annualised +2.4% quarter-on-quarter (QoQ) (1Q2023: +2% QoQ), underpinned mainly by the sustained rise in private consumption and improved investment activities. For Malaysia, the country continued to benefit from robust domestic economic activity (+4-5% GDP growth forecast for 2023), driven by a stronger job market, rising wages and controlled inflation via subsidies. Investors will focus on the upcoming six state elections in Kelantan, Terengganu, Kedah, Negeri Sembilan, Penang and Selangor which will be held on 12 August. Investors will also be watching the announcement of 2Q results in August. Continuous foreign inflows into Malaysia should be positive to our equity markets.

Market outlook

The country continues to benefit from robust domestic economic activity (+4-5% GDP growth forecasted for 2023), driven by stronger job market, rising wages and controlled inflation via subsidies. Investors will focus on the upcoming six state elections in Kelantan, Terengganu, Kedah, Negeri Sembilan, Penang and Selangor which will be held on 12 August. Investors will also be watching the announcement of 2Q results in August. Continuous foreign inflows into Malaysia should be positive to our equity markets.

Strategy

On the equity front, we adopt a neutral stance asset allocation wise and a balanced approach with regards to sector positioning. While domestic fundamentals remain supportive and valuations are cheap, markets are still concerned on slower global economic growth and monitoring the upcoming state elections.

Sector-wise, we prefer beneficiaries of recent government stimulus policies such as new energy, utilities, construction, property, and manufacturing. We adopt a Buy on Weakness stance for the tech/manufacturing sector as the key beneficiary to obtain long-term growth trends. This include artificial intelligence ("AI"), Electric Vehicles and supply chain relocation.

2.7 Distributions

For the financial year under review, the Fund did not declare any income distribution.

2.8 Details of any unit split exercise

The Fund did not carry out any unit split exercise during the financial year under review.

2.9 Significant changes in the state of affairs of the Fund during the financial year

There were no significant changes in the state of affairs of the Fund during the financial year and up until the date of the PRS Provider's report, not otherwise disclosed in the financial statements.

2.10 Circumstances that materially affect any interests of the members

There were no circumstances that materially affected any interests of the members during the financial year under review.

2.11 Rebates and soft commissions

It is the policy of the PRS Provider to credit any rebates received into the account of the Fund. Any soft commissions received by the investment manager on behalf of the Fund are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund which are of demonstrable benefit to the members of the Fund. Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. As the Fund solely invested in the Target Fund and short term Islamic deposits, the PRS Provider did not receive any rebates or soft commissions from its stockbrokers during the financial year under review.

2.12 Cross-trade

During the financial year under review, no cross-trade transactions were undertaken by the PRS Provider for the Fund.

2.13 Securities financing transactions

Securities financing transactions are transactions consisting of securities financing or repurchase. During the financial year under review, the Fund had not undertaken any securities financing transactions.

3. FUND PERFORMANCE

3.1 Details of portfolio composition of the Fund for the last three financial years as at 31 July are as follows:

a. Distribution among industry sectors and category of Shariah-compliant investments:

	As at 2023 %	FY 2022 %	FY 2021 %
Unlisted Islamic collective investment scheme	96.3	96.2	96.0
Short term Islamic deposits and cash	3.7	3.8	4.0
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Note: The above mentioned percentages are based on total Shariah-compliant investment market value plus cash.

b. Distribution among markets

The Fund invested in local unlisted Islamic collective investment scheme and short term Islamic deposits only.

3.2 Performance details of the Fund for the last three financial years ended 31 July are as follows:

	FY 2023	FY 2022	FY 2021
Net asset value ("NAV") (RM Million)	8.94	7.38	6.55
Units in circulation (Million)	15.59	12.89	10.27
NAV per unit (RM)	0.5738	0.5723	0.6374
Highest NAV per unit (RM)	0.5948	0.6881	0.6858
Lowest NAV per unit (RM)	0.5379	0.5321	0.5960
Total return (%)	0.26	-10.21	0.06
- Capital growth (%)	0.26	-10.21	0.06
- Income growth (%)	-	-	-
Gross distribution per unit (sen)	-	-	-
Net distribution per unit (sen)	-	-	-
Total expense ratio ("TER") (%) ¹	0.17	0.21	0.17
Portfolio turnover ratio ("PTR") (times) ²	0.13	0.25	0.16

Note: Total return is the actual return of the Fund for the respective financial years, computed based on NAV per unit and net of all fees.

TER is computed based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. PTR is computed based on the average of the total acquisitions and total disposals of Shariah-compliant investment securities of the Fund divided by the average fund size calculated on a daily basis.

Above NAV and NAV per unit are not shown as ex-distribution as there were no distribution declared by the Fund in the financial year under review.

- 1. TER is lower against previous financial year mainly due to decrease in expenses incurred during the financial year under review.*
- 2. PTR is lower due to lesser trading activities taking place during financial year under review.*

3.3 Average total return of the Fund

	1 Year 31 Jul 22 - 31 Jul 23	3 Years 31 Jul 20 - 31 Jul 23	5 Years 31 Jul 18 - 31 Jul 23
PKOSEF	0.26%	-3.03%	1.84%
FTSE Bursa Malaysia Emas Shariah Index	2.03%	-6.11%	-2.22%

Source: Lipper

3.4 Annual total return of the Fund

	Year under review 31 Jul 22 - 31 Jul 23	1 Year				
		31 Jul 21 - 31 Jul 22	31 Jul 20 - 31 Jul 21	31 Jul 19 - 31 Jul 20	31 Jul 18 - 31 Jul 19	31 Jul 17 - 31 Jul 18
PKOSEF	0.26%	-10.21%	0.06%	12.82%	3.14%	0.75%
FTSE Bursa Malaysia Emas Shariah Index	2.03%	-10.91%	-10.35%	11.97%	-6.31%	0.73%

Source: Lipper

Investors are reminded that past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

KENANGA ONEPRS SHARIAH EQUITY FUND

**Audited Financial Statements Together with
Trustee's Report, Shariah Adviser's Report, Independent
Auditors' Report and Statement by the PRS Provider
31 July 2023**

KENANGA ONEPRS SHARIAH EQUITY FUND

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**SHARIAH ADVISER'S REPORT FOR ISLAMIC PRIVATE RETIREMENT SCHEME FUND
TO THE MEMBERS OF KENANGA ONEPRS SHARIAH EQUITY FUND (Fund),**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Kenanga Investment Bank Berhad Shariah Committee

DR GHAZALI BIN JAAPAR
Shariah Adviser/Designated Person Responsible for Shariah Advisory

Kuala Lumpur, Malaysia

29 September 2023

**SHARIAH ADVISER'S REPORT FOR ISLAMIC PRIVATE RETIREMENT SCHEME FUND
TO THE MEMBERS OF KENANGA ONEPRS SHARIAH EQUITY FUND ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Kenanga Investors Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Kenanga Investment Bank Berhad Shariah Committee

DR GHAZALI BIN JAAPAR
Shariah Adviser/Designated Person Responsible for Shariah Advisory

Kuala Lumpur, Malaysia

29 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENANGA ONEPRS SHARIAH EQUITY FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenanga OnePRS Shariah Equity Fund ("the Fund"), which comprise the statement of financial position as at 31 July 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 2023 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards .

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The PRS Provider of the Fund ("the PRS Provider") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENANGA ONEPRS SHARIAH EQUITY FUND (CONTD.)

Information other than the financial statements and auditors' report thereon (contd.)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the PRS Provider and the Trustee for the financial statements

The PRS Provider is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The PRS Provider is also responsible for such internal control as the PRS Provider determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the PRS Provider is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PRS Provider either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the PRS Provider maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENANGA ONEPRS SHARIAH EQUITY FUND (CONTD.)

Auditors' responsibilities for the audit of the financial statements (contd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PRS Provider.
- Conclude on the appropriateness of the PRS Provider's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the PRS Provider regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KENANGA ONEPRS SHARIAH EQUITY FUND (CONTD.)**

Other matters

This report is made solely to the members of the Fund, as a body, in accordance with the Guidelines on Private Retirement Schemes issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia

29 September 2023

STATEMENT BY THE PRS PROVIDER

I, Datuk Wira Ismitz Matthew De Alwis, being a director of Kenanga Investors Berhad, do hereby state that, in the opinion of the PRS Provider, the accompanying statement of financial position as at 31 July 2023 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 31 July 2023 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Kenanga OnePRS Shariah Equity Fund as at 31 July 2023 and of its financial performance and cash flows for the financial year then ended and comply with the requirements of the Deed .

For and on behalf of the PRS Provider
KENANGA INVESTORS BERHAD

DATUK WIRA ISMITZ MATTHEW DE ALWIS
Executive Director/Chief Executive Officer

Kuala Lumpur, Malaysia

29 September 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Profit income		7,799	2,456
Net gain/(loss) from Shariah-compliant investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	<u>38,937</u>	<u>(825,597)</u>
		<u>46,736</u>	<u>(823,141)</u>
EXPENSES			
PRS Provider's remuneration	5	8,968	8,069
Trustee's fee	6	1,266	4,409
Private Pension Administrator ("PPA") administration fee	7	3,237	2,881
Administration expenses		230	-
		<u>13,701</u>	<u>15,359</u>
NET INCOME/(LOSS) BEFORE TAX		33,035	(838,500)
Income tax	9	<u>-</u>	<u>-</u>
NET INCOME/(LOSS) AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>33,035</u>	<u>(838,500)</u>
Net income/(loss) after tax is made up as follows:			
Realised loss		(24,061)	(24,205)
Unrealised gain/(loss)	4	<u>57,096</u>	<u>(814,295)</u>
		<u>33,035</u>	<u>(838,500)</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023**

	Note	2023 RM	2022 RM
ASSETS			
INVESTMENTS			
Financial assets at FVTPL	4	8,586,663	7,084,001
Short term Islamic deposits	10	318,000	266,000
		<u>8,904,663</u>	<u>7,350,001</u>
OTHER ASSETS			
Amount due from PRS Provider		28,213	16,905
Other receivable	11	25	31
Cash at bank		10,943	10,967
		<u>39,181</u>	<u>27,903</u>
TOTAL ASSETS		<u>8,943,844</u>	<u>7,377,904</u>
LIABILITIES			
Amount due to Trustee		110	421
Amount due to PPA		294	220
TOTAL LIABILITIES		<u>404</u>	<u>641</u>
EQUITY			
Members' contribution		8,842,640	7,309,498
Retained earnings		100,800	67,765
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO MEMBERS	12	<u>8,943,440</u>	<u>7,377,263</u>
TOTAL LIABILITIES AND EQUITY		<u>8,943,844</u>	<u>7,377,904</u>
NUMBER OF UNITS IN CIRCULATION	12(a)	<u>15,587,693</u>	<u>12,891,514</u>
NAV PER UNIT (RM)		<u>0.5738</u>	<u>0.5723</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	Note	Members' contribution RM	Retained earnings RM	Total NAV RM
2023				
At beginning of the financial year		7,309,498	67,765	7,377,263
Total comprehensive income		-	33,035	33,035
Creation of units	12(a)	1,840,374	-	1,840,374
Cancellation of units	12(a)	(307,232)	-	(307,232)
At end of the financial year		<u>8,842,640</u>	<u>100,800</u>	<u>8,943,440</u>
2022				
At beginning of the financial year		5,642,794	906,265	6,549,059
Total comprehensive loss		-	(838,500)	(838,500)
Creation of units	12(a)	2,672,117	-	2,672,117
Cancellation of units	12(a)	(1,007,724)	-	(1,007,724)
Distribution equalisation	12(a)	2,321	-	2,321
At end of the financial year		<u>7,309,498</u>	<u>67,765</u>	<u>7,377,263</u>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of financial assets at FVTPL	334,822	985,197
Profit from Islamic deposits received	7,805	2,425
PPA administration fee paid	(3,163)	(2,873)
Trustee's fee paid	(1,577)	(4,228)
Reimbursable expenses from PRS Provider	(20,715)	(5,142)
PRS Provider's remuneration paid	(8,784)	(8,025)
Purchase of financial assets at FVTPL	(1,787,791)	(2,620,162)
Net cash used in operating and investing activities	<u>(1,479,403)</u>	<u>(1,652,808)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	1,838,611	2,675,909
Cash paid on units cancelled	<u>(307,232)</u>	<u>(1,009,102)</u>
Net cash generated from financing activities	<u>1,531,379</u>	<u>1,666,807</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,976	13,999
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	276,967	262,968
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>328,943</u>	<u>276,967</u>
Cash and cash equivalents comprise:		
Cash at bank	10,943	10,967
Short term Islamic deposits	318,000	266,000
	<u>328,943</u>	<u>276,967</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

1. THE FUND, THE PRS PROVIDER AND THEIR PRINCIPAL ACTIVITIES

Kenanga OnePRS Shariah Equity Fund (“the Fund”) was constituted pursuant to the executed Deed dated 2 October 2014 (collectively, together with the deeds supplemental thereto, referred to as “the Deed”) between the Private Retirement Scheme Provider (the “PRS Provider”), Kenanga Investors Berhad and Maybank Trustees Berhad (“the Trustee”). The Fund commenced operations on 28 October 2014 and will continue to be in operation until terminated as provided under Part 16 of the Deed.

Kenanga Investors Berhad is a wholly-owned subsidiary of Kenanga Investment Bank Berhad that is listed on the Main Market of Bursa Malaysia Securities Berhad. All of these companies are incorporated in Malaysia.

The principal place of business of the PRS Provider is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The Fund seeks to provide capital growth by investing in a target fund. To achieve the objective of the Fund, it will invest a minimum of 85% of the Fund’s NAV in Kenanga Syariah Growth Fund (“the Target Fund”), an Islamic fund managed by the PRS Provider that invests in Shariah-compliant equity securities.

The financial statements were authorised for issue by the Chief Executive Officer of the PRS Provider on 29 September 2023.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

To the extent the Fund invests in the Target Fund, which has investments in equities that comply with Shariah requirements, it is exposed to market risk (which includes interest rate risk and price risk), credit risk, liquidity risk and reclassification of Shariah status risk.

The PRS Provider monitors the portfolio of the Target Fund to ensure that the underlying fund is positioned to meet its investment objective.

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and price risk.

Market risk arises when the value of the Shariah-compliant investment fluctuates in response to the activities of individual companies, general market or economic conditions. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors are exposed to market uncertainties. Fluctuation in the Shariah-compliant investments’ price caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

The PRS Provider manages the risk of unfavourable changes in prices by cautious review of the Shariah-compliant investments and continuous monitoring of their performance and risk profiles.

i. Interest rate risk

Interest rate risk refers to how the changes in the interest rate environment would affect the valuation of Shariah-compliant instruments. In the event of a rising interest rate environment, the valuation of Shariah-compliant instruments may decrease, and vice versa. Interest rate, such as the Overnight Policy Rate set by Bank Negara Malaysia, will have an impact on the investment decisions of the Fund regardless of whether it is an Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

The Fund has minimal exposure to interest rate risk as its deposits with licensed financial institutions are short term in nature and have fixed profit rates. However, the Fund has indirect exposure to interest rate risk through its investments in the unlisted Islamic collective investment scheme.

Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's financial assets and financial liabilities are disclosed at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective rate of return* %
2023				
Assets				
Financial assets at				
FVTPL	-	8,586,663	8,586,663	
Short term Islamic				
deposits	318,000	-	318,000	2.9
Other financial assets	-	39,181	39,181	
	<u>318,000</u>	<u>8,625,844</u>	<u>8,943,844</u>	

* Calculated based on Shariah-compliant assets with exposure to interest rate movement only.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure (contd.)

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective rate of return* %
2023 (contd.)				
Liabilities				
Other financial liabilities	-	404	404	
Total interest rate sensitivity gap	318,000	8,625,440	8,943,440	
2022				
Assets				
Financial assets at FVTPL	-	7,084,001	7,084,001	
Short term Islamic deposits	266,000	-	266,000	2.1
Other financial assets	-	27,903	27,903	
	<u>266,000</u>	<u>7,111,904</u>	<u>7,377,904</u>	
Liabilities				
Other financial liabilities	-	641	641	
Total interest rate sensitivity gap	266,000	7,111,263	7,377,263	

* Calculated based on Shariah-compliant with exposure to interest rate movement only.

ii. Price risk

Price risk is the risk of unfavourable changes in the NAV of unlisted Islamic collective investment scheme. The Fund invests in the Target Fund, unlisted Islamic collective investment scheme which is exposed to price fluctuations. This may then affect the NAV per unit of the Fund.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

ii. Price risk (contd.)

Price risk sensitivity

The PRS Provider's best estimate of the effect on the income/(loss) for the financial year due to a reasonably possible change in investments in unlisted Islamic collective investment scheme with all other variables held constant is indicated in the table below:

	Changes in price Increase/(Decrease) Basis points	Effects on income/(loss) for the financial year Gain/(Loss) RM
2023		
Financial assets at FVTPL	5/(5)	4,293/(4,293)
2022		
Financial assets at FVTPL	5/(5)	3,542/(3,542)

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

Price risk concentration

The following table sets out the Fund's exposure and concentration to price risk based on its portfolio of Shariah-compliant financial instruments as at the reporting date.

	Fair value		Percentage of NAV	
	2023 RM	2022 RM	2023 %	2022 %
Financial assets at FVTPL	8,586,663	7,084,001	96.0	96.0

b. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The PRS Provider manages the credit risk by undertaking credit evaluation to minimise such risk.

i. Credit risk exposure

As at the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Credit risk (contd.)

ii. Financial assets that are either past due or impaired

As at the reporting date, there are no financial assets that are either past due or impaired.

iii. Credit quality of financial assets

The Fund invests in deposits with financial institutions licensed under the Islamic Financial Services Act 2013. The following table analyses the licensed financial institutions by rating category:

Short term Islamic deposits

Rating	Percentage of total short term Islamic deposits		Percentage of NAV	
	2023 %	2022 %	2023 %	2022 %
P1/MARC-1	<u>100.0</u>	<u>100.0</u>	<u>3.6</u>	<u>3.6</u>

c. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or cancel its units earlier than expected. The Fund is exposed to cancellation of its units on a regular basis. Units sold to members by the PRS Provider are cancellable at the members' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The Islamic liquid assets comprise cash at banks, short term Islamic deposits with licensed financial institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 days.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Liquidity risk (contd.)

The following table analyses the maturity profile of the Fund's financial assets and financial liabilities in order to provide a complete view of the Fund's contractual commitments and liquidity.

	Note	Up to 1 year 2023 RM	2022 RM
Assets			
Financial assets at FVTPL		8,586,663	7,084,001
Short term Islamic deposits		318,000	266,000
Other financial assets		39,181	27,903
	i.	<u>8,943,844</u>	<u>7,377,904</u>
Liabilities			
Other financial liabilities	ii.	<u>404</u>	<u>641</u>
Equity	iii.	<u>8,943,440</u>	<u>7,377,263</u>
Liquidity gap		<u>-</u>	<u>-</u>

i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investments in an unlisted Islamic collective investment scheme have been included in the "up to 1 year" category on the assumption that these are highly liquid Shariah-compliant investments which can be realised should all of the Fund's members' equity be required to be redeemed. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

ii. Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the date on which liabilities will be settled. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

iii. Equity

As the members can request for redemption of their units, they have been categorised as having a maturity of "up to 1 year".

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

d. Shariah status reclassification risk

Shariah status reclassification risk is the risk that the currently held Shariah-compliant equity securities in the portfolio of the Islamic Target Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia (“SACSC”) or the Shariah Adviser. If this occurs, the PRS Provider will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Islamic Target Fund is required:

- (i) to dispose of such securities with immediate effect or within one calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities (“Reclassification”) by the SACSC or date of review (“Review”) by the Shariah Adviser. The Islamic Target Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies advised by the Shariah Adviser;
- (ii) to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies advised by the Shariah Adviser; or
- (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Islamic Target Fund’s value.

e. Regulatory reportings

It is the PRS Provider’s responsibility to ensure full compliance of all requirements under the Guidelines on Private Retirement Schemes issued by the Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to the Securities Commission Malaysia on a monthly basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amended MFRS, which became effective for the Fund on 1 August 2022.

Description	Effective for financial periods beginning on or after
Amendments to MFRS contained in the document entitled “Annual Improvements to MFRS Standards 2018 - 2020”	1 January 2022
Amendments to MFRS 1: <i>Subsidiary as a First-time Adopter</i> contained in the document entitled “Annual Improvements to MFRS Standards 2018 - 2020”	1 January 2022
Amendments to MFRS 9: <i>Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities</i> contained in the document entitled “Annual Improvements to MFRS Standards 2018 - 2020”	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16: <i>Lease Incentives</i> contained in the document entitled “Annual Improvements to MFRS Standards 2018 - 2020”	1 January 2022
Amendments to MFRS 141: <i>Taxation in Fair Value Measurements</i> contained in the document entitled “Annual Improvements to MFRS Standards 2018 - 2020”	1 January 2022
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022

The adoption of the amended MFRS did not have any significant impact on the financial position or performance of the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

b. Standards and amendments issued but not yet effective

As at the reporting date, the following new standard and amendments to standards that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant standard and amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 — Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform — Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

These pronouncements are not expected to have any significant impact to the financial statements of the Fund upon their initial application.

c. Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instruments.

i. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

ii. Measurement categories of financial assets and liabilities

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

The Fund's other financial assets include cash at banks, short term Islamic deposits, trade receivables and other receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective yield rate ("EYR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term Islamic deposits, trade receivables and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP") on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

Business model assessment (contd.)

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How PRS Provider of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

The SPPP test

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPP test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

The SPPP test (contd.)

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP assessment, the Fund applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

iv. Financial investments

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPP criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. For the purpose of the investment made by the Fund, debt instruments refer to sukuk.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

d. Derecognition of financial assets (contd.)

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount financed plus accrued profit at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including profit earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Fund considers control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

f. Impairment of financial assets

i. Overview of the expected credit loss (“ECL”) principles

The Fund measures its receivables impairment using the forward-looking ECL approach in accordance with the requirements of MFRS 9.

ii. Write-offs

Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

g. Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Profit income is recognised using the effective yield method.

Distribution income is recognised on declared basis, when the right to receive the distribution is established.

The realised gain or loss on sale of Shariah-compliant investments is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at banks and short term Islamic deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

i. Income tax

Income tax on the profit or loss for the financial year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year.

As no temporary differences have been identified, no deferred tax has been recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

j. Unrealised reserves

Unrealised reserves represent the net gain or loss arising from carrying Shariah-compliant investments at their fair values at reporting date. This reserve is not distributable.

k. Members' contribution – NAV attributable to members

The members' contribution to the Fund is classified as equity instruments.

In the previous financial year, distribution equalisation represents the average amount of undistributed net income included in the creation or cancellation price of units. This amount is either refunded to members by way of distribution and/or adjusted accordingly when units are released back to the Trustee.

l. Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

m. Distributions

Distributions are at the discretion of the PRS Provider. A distribution to the Fund's members is accounted for as a deduction from retained earnings.

n. Significant accounting judgement and estimates

The preparation of financial statements requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

i. Critical judgments made in applying accounting policies

There are no major judgments made by the PRS Provider in applying the Fund's accounting policies.

ii. Key sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. FINANCIAL ASSETS AT FVTPL

	2023 RM	2022 RM
Financial assets held for trading, at FVTPL:		
Unlisted Islamic collective investment scheme	<u>8,586,663</u>	<u>7,084,001</u>
Net gain/(loss) on financial assets at FVTPL comprised:		
Realised loss on disposals	(18,159)	(11,302)
Unrealised changes in fair values	<u>57,096</u>	<u>(814,295)</u>
	<u>38,937</u>	<u>(825,597)</u>

Details of financial assets at FVTPL as at 31 July 2023:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Unlisted Islamic collective investment scheme				
Target Fund	8,184,789	<u>9,021,346</u>	<u>8,586,663</u>	<u>96.0</u>
Total unlisted Islamic collective investment scheme, representing total financial assets at FVTPL		<u>9,021,346</u>	<u>8,586,663</u>	<u>96.0</u>
Unrealised loss on financial assets at FVTPL			<u>(434,683)</u>	

5. PRS PROVIDER'S REMUNERATION

PRS Provider's remuneration is calculated on a daily basis at a rate up to 5.00% per annum of the NAV of the Fund as provided under Division 17.1 of the Deed.

The PRS Provider charges the PRS Provider's remuneration of 1.55% per annum of the NAV of the Fund (2022: 1.55% per annum).

As the Fund invests in units of Kenanga Syariah Growth Fund managed by the PRS Provider, any management fee charged to the unlisted Islamic collective investment scheme is fully refunded to the Fund. Accordingly, there is no double charging of management fee during the current and previous financial years.

6. TRUSTEE'S FEE

Pursuant to the supplemental deed dated 2 October 2014, the Trustee's fee is calculated on a daily basis at a rate not exceeding 0.015% per annum of the NAV of the Fund and subject to a minimum fee of RM6,000 per annum as provided under Division 17.2 of the Deed.

The Trustee's fee is calculated at 0.015% per annum of the NAV of the Fund (2022: 0.015% per annum). The remaining balance of the minimum fee is being borne by the PRS Provider in the current and previous financial years.

7. PRIVATE PENSION ADMINISTRATOR ("PPA") ADMINISTRATION FEE

PPA administration fee is calculated on a daily basis at a rate of 0.04% per annum of the NAV of the Fund.

The PPA's fee is currently calculated at 0.04% per annum of the NAV of the Fund (2022: 0.04 per annum).

8. AUDITORS' REMUNERATION, TAX AGENT'S FEE AND OTHER ADMINISTRATION EXPENSES

The auditors' remuneration, tax agent's fees and certain other administration expenses for the current and previous financial years were borne by the PRS Provider.

9. INCOME TAX

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial years.

Income tax is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2023 RM	2022 RM
Net income/(loss) before tax	33,035	(838,500)
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	7,928	(201,240)
Tax effect of:		
Income not subject to tax	(15,575)	(589)
Loss not deductible for tax purposes	4,358	198,143
Expenses not deductible for tax purposes	(26,811)	(23,104)
Restriction on tax deductible expenses for unit trust fund	30,100	26,790
Income tax for the financial year	-	-

10. SHORT TERM ISLAMIC DEPOSITS

Short term Islamic deposits are held with licensed financial institutions in Malaysia at the prevailing profit rates.

11. OTHER RECEIVABLE

	2023 RM	2022 RM
Profit receivable from short term Islamic deposits	25	31

12. NET ASSET VALUE ATTRIBUTABLE TO MEMBERS

NAV attributable to members is represented by:

	Note	2023 RM	2022 RM
Members' contribution	(a)	8,842,640	7,309,498
<u>Retained earnings:</u>			
Realised reserves		535,483	559,544
Unrealised deficits		(434,683)	(491,779)
		100,800	67,765
		8,943,440	7,377,263

(a) Members' contribution

	2023		2022	
	No. of units	RM	No. of units	RM
At beginning of the financial year	12,891,514	7,309,498	10,274,271	5,642,794
Add: Creation of units	3,230,093	1,840,374	4,281,272	2,672,117
Less: Cancellation of units	(533,914)	(307,232)	(1,664,029)	(1,007,734)
Distribution equalisation	-	-	-	2,321
At end of the financial year	15,587,693	8,842,640	12,891,514	7,309,498

The PRS Provider, Kenanga Investors Berhad, did not hold any units in the Fund, either legally or beneficially, as at 31 July 2023 (2022: nil). The number of units legally or beneficially held by the other parties related to the PRS Provider were 4,718 units valued at RM2,707 as at 31 July 2023 (2022: 66,675 units valued at RM38,158).

13. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund comprises:

- (i) Collective investment scheme which have been verified as Shariah-compliant by the Shariah Adviser; and
- (ii) Liquid assets in the local market, which have been placed in Shariah-compliant investments and/or instruments.

14. PORTFOLIO TURNOVER RATIO (“PTR”)

PTR for the financial year is 0.13 times (2022: 0.25 times).

PTR is the ratio of average sum of acquisitions and disposals of Shariah-compliant investments of the Fund for the financial year to the average NAV of the Fund, calculated on a daily basis.

15. TOTAL EXPENSE RATIO (“TER”)

TER for the financial year is 0.17% per annum (2022: 0.21%).

TER is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund’s average NAV, calculated on a daily basis.

16. TRANSACTIONS WITH UNIT TRUST FUNDS’ MANAGER

	Transaction value RM	Percentage of total %
Kenanga Investors Berhad*	<u>2,124,309</u>	<u>100.0</u>

* Kenanga Investors Berhad is the Manager of the unlisted Islamic collective investment scheme that the Fund invested in during the financial year.

The above transaction values were in respect of the unlisted Islamic collective investment scheme and such transactions do not involve any commission or brokerage fees.

The directors of the PRS Provider are of the opinion that the transactions with Kenanga Investors Berhad have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The PRS Provider is of the opinion that the above dealings have been transacted on an arm’s length basis.

17. SEGMENTAL REPORTING

a. Business segments

In accordance with the objective of the Fund, the Fund can invest a minimum of 85% of its NAV in the Target Fund. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	Unlisted Shariah- compliant investment securities RM	Other Shariah- compliant investments RM	Total RM
2023			
Revenue			
Segment income	38,937	7,799	46,736
Unallocated expenditure			(13,701)
Income before tax			33,035
Income tax			-
Net income after tax			33,035
Assets			
Financial assets at FVTPL	8,586,663	-	
Short term Islamic deposits	-	318,000	
Other segment assets	-	25	
Total segment assets	8,586,663	318,025	8,904,688
Unallocated assets			39,156
			8,943,844
Liabilities			
Unallocated liabilities			404
2022			
Revenue			
Segment (loss)/income	(825,597)	2,456	(823,141)
Unallocated expenditure			(15,359)
Loss before tax			(838,500)
Income tax			-
Net loss after tax			(838,500)
Assets			
Financial assets at FVTPL	7,084,001	-	
Short term Islamic deposits	-	266,000	
Other segment assets	-	31	
Total segment assets	7,084,001	266,031	7,350,032
Unallocated assets			27,872
			7,377,904
Liabilities			
Unallocated liabilities			641

17. SEGMENTAL REPORTING (CONTD.)

b. Geographical segments

As all of the Fund's investments are located in Malaysia, disclosure by geographical segments is not relevant.

18. FINANCIAL INSTRUMENTS

a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2023				
Assets				
Unlisted Islamic collective investment scheme	8,586,663	-	-	8,586,663
Short term Islamic deposits	-	318,000	-	318,000
Amount due from PRS Provider	-	28,213	-	28,213
Other receivable	-	25	-	25
Cash at bank	-	10,943	-	10,943
	<u>8,586,663</u>	<u>357,181</u>	<u>-</u>	<u>8,943,844</u>
Liabilities				
Amount due to Trustee	-	-	110	110
Amount due to PPA	-	-	294	294
	<u>-</u>	<u>-</u>	<u>404</u>	<u>404</u>

18. FINANCIAL INSTRUMENTS (CONTD.)

a. Classification of financial instruments (contd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2022				
Assets				
Unlisted Islamic collective investment scheme	7,084,001	-	-	7,084,001
Short term Islamic deposits	-	266,000	-	266,000
Amount due from PRS Provider	-	16,905	-	16,905
Other receivable	-	31	-	31
Cash at bank	-	10,967	-	10,967
	<u>7,084,001</u>	<u>293,903</u>	<u>-</u>	<u>7,377,904</u>
Liabilities				
Amount due to Trustee	-	-	421	421
Amount due to PPA	-	-	220	220
	<u>-</u>	<u>-</u>	<u>641</u>	<u>641</u>

18. FINANCIAL INSTRUMENTS

b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

The following table shows the fair value measurements by level of the fair value measurement hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Investments:				
2023				
Unlisted Islamic collective investment scheme	-	8,586,663	-	8,586,663
2022				
Unlisted Islamic collective investment scheme	-	7,084,001	-	7,084,001

18. FINANCIAL INSTRUMENTS (CONTD.)

b. Financial instruments that are carried at fair value (contd.)

Level 1: Listed prices in active market

Level 2: Model with all significant inputs which are observable market data

Level 3: Model with inputs not based on observable market data

The fair value of the unlisted Islamic collective investment scheme is stated based on its NAV per unit at reporting date.

c. Financial instruments not carried at fair value and for which their carrying amounts are reasonable approximations of fair value

The carrying amounts of the Fund's other financial assets and financial liabilities are not carried at fair value but approximate fair values due to the relatively short term maturity of these financial instruments.

19. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- a. To invest in Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its disclosure documents;
- b. To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- c. To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

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